		FOR OHF USE					

LL1

2001
STATE OF ILLINOIS
DEPARTMENT OF PUBLIC AID
FINANCIAL AND STATISTICAL REPORT FOR
LONG-TERM CARE FACILITIES
(FISCAL YEAR 2001)

IMPORTANT NOTICE
THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY PURPOSE AS OUTLINED IN 210 ILCS 45/3-208. DISCLOSURE OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE ANY INFORMATION ON OR BEFORE THE DUE DATE WILL RESULT IN CESSATION OF PROGRAM PAYMENTS. THIS FORM HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER.

I. IDPH Facility ID Number: 0040691

Facility Name: Alden Terrace of McHenry Rehab

Address: 803 Royal Drive (Number) McHenry (City) 60050 (Zip Code)

County: McHenry

Telephone Number: (815) 344-2600 **Fax #** (815) 344-5414

IDPA ID Number: 36-4003491

Date of Initial License for Current Owners: 03/01/95

Type of Ownership:

[ ]	VOLUNTARY,NON-PROFIT	[X]	PROPRIETARY	[ ]	GOVERNMENTAL
[ ]	Charitable Corp.	[ ]	Individual	[ ]	State
[ ]	Trust	[ ]	Partnership	[ ]	County
IRS Exemption Code ____		[X]	Corporation	[ ]	Other ____
		[ ]	"Sub-S" Corp.		
		[ ]	Limited Liability Co.		
		[ ]	Trust		
		[ ]	Other ____		

In the event there are further questions about this report, please contact:
Name: Steven M. Kroll **Telephone Number:** (773) 286-3883

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 01/01/2001 to 12/31/2001 and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.

Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.

Officer or Administrator of Provider

(Signed) _____ (Date)
(Type or Print Name) Steven M. Kroll
(Title) Chief Financial Officer

Paid Preparer

(Signed) _____ (Date)
(Print Name and Title)
(Firm Name & Address)
(Telephone) ( ) Fax # ( )

MAIL TO: OFFICE OF HEALTH FINANCE
ILLINOIS DEPARTMENT OF PUBLIC AID
201 S. Grand Avenue East
Springfield, IL 62763-0001 **Phone # (217) 782-1630**

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days, (must agree with license). Date of change in licensed beds _____

	1 Beds at Beginning of Report Period	2 Licensure Level of Care	3 Beds at End of Report Period	4 Licensed Bed Days During Report Period	
1	316	Skilled (SNF)	316	115,340	1
2		Skilled Pediatric (SNF/PED)			2
3		Intermediate (ICF)			3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	316	TOTALS	316	115,340	7

B. Census-For the entire report period.

	1 Level of Care	2 Patient Days by Level of Care and Primary Source of Payment: Public Aid Recipient	3 Private Pay	4 Other	5 Total	
8	SNF	6,167	1,375	3,329	10,871	8
9	SNF/PED					9
10	ICF	49,026	7,113	913	57,052	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	55,193	8,488	4,242	67,923	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 58.89%

D. How many bed-hold days during this year were paid by Public Aid? _____ (Do not include bed-hold days in Section B.)

E. List all services provided by your facility for non-patients. (E.g., day care, "meals on wheels", outpatient therapy)

F. Does the facility maintain a daily midnight census? Yes

G. Do pages 3 & 4 include expenses for services or investments not directly related to patient care? YES [ ] NO [X]

H. Does the BALANCE SHEET (page 17) reflect any non-care assets? YES [ ] NO [X]

I. On what date did you start providing long term care at this location? Date started 03/01/95

J. Was the facility purchased or leased after January 1, 1978? YES [X] Date 03/01/95 NO [ ]

K. Was the facility certified for Medicare during the reporting year? YES [X] NO [ ] If YES, enter number of beds certified 43 and days of care provided 2,741

Medicare Intermediary Administar Federal

IV. ACCOUNTING BASIS

ACCRUAL [X] MODIFIED CASH* [ ] CASH* [ ]

Is your fiscal year identical to your tax year? YES [X] NO [ ]

Tax Year: Yes Fiscal Year: Yes

* All facilities other than governmental must report on the accrual basis.

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

V. COST CENTER EXPENSES (throughout the report, please round to the nearest dollar)

	Operating Expenses	Costs Per General Ledger Salary/Wage 1	Supplies 2	Other 3	Total 4	Reclass-ification 5	Reclassified Total 6	Adjust-ments 7	Adjusted Total 8	FOR OHF USE ONLY 9	10	
	A. General Services											
1	Dietary	250,415	59,698		310,113	185	310,298		310,298			1
2	Food Purchase		470,635		470,635	(45,225)	425,410	(11,916)	413,494			2
3	Housekeeping	167,828	40,007		207,835	563	208,398		208,398			3
4	Laundry	63,508	18,015		81,523	129	81,652		81,652			4
5	Heat and Other Utilities			219,786	219,786		219,786		219,786			5
6	Maintenance	46,725		138,940	185,665		185,665	25,818	211,483			6
7	Other (specify):*											7
8	**TOTAL General Services**	528,476	588,355	358,726	1,475,557	(44,348)	1,431,209	13,902	1,445,111			8
	B. Health Care and Programs											
9	Medical Director			14,400	14,400		14,400		14,400			9
10	Nursing and Medical Records	2,511,491	149,951	10,332	2,671,774	607	2,672,381	(5,871)	2,666,510			10
10a	Therapy											10a
11	Activities	111,378	3,758	2,227	117,363	34	117,397		117,397			11
12	Social Services	40,375	855		41,230		41,230		41,230			12
13	Nurse Aide Training							(8,519)	(8,519)			13
14	Program Transportation											14
15	Other (specify):*											15
16	**TOTAL Health Care and Programs**	2,663,244	154,564	26,959	2,844,767	641	2,845,408	(14,390)	2,831,018			16
	C. General Administration											
17	Administrative	165,699			165,699		165,699		165,699			17
18	Directors Fees											18
19	Professional Services			778,880	778,880		778,880	(695,756)	83,124			19
20	Dues, Fees, Subscriptions & Promotions			27,771	27,771		27,771	(15,461)	12,310			20
21	Clerical & General Office Expenses	503,513	14,915	18,790	537,218		537,218	48,868	586,086			21
22	Employee Benefits & Payroll Taxes			411,099	411,099	43,707	454,806	71,490	526,296			22
23	Inservice Training & Education											23
24	Travel and Seminar			122	122		122	14,762	14,884			24
25	Other Admin. Staff Transportation			8	8		8		8			25
26	Insurance-Prop.Liab.Malpractice			168,667	168,667		168,667	(9,164)	159,503			26
27	Other (specify):* **Bad Debt expense**			42,246	42,246		42,246	(42,246)				27
28	**TOTAL General Administration**	669,212	14,915	1,447,583	2,131,710	43,707	2,175,417	(627,507)	1,547,910			28
29	**TOTAL Operating Expense (sum of lines 8, 16 & 28)**	3,860,932	757,834	1,833,268	6,452,034		6,452,034	(627,995)	5,824,039			29

***Attach a schedule if more than one type of cost is included on this line, or if the total exceeds $1000.**

NOTE: Include a separate schedule detailing the reclassifications made in column 5. Be sure to include a detailed explanation of each reclassification.

Facility Name & ID Number Alden Terrace of McHenry Rehab #0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass-ification	Reclassified Total	Adjust-ments	Adjusted Total	FOR OHF USE ONLY		
		Salary/Wage	Supplies	Other	Total							
	D. Ownership	1	2	3	4	5	6	7	8	9	10	
30	Depreciation			48,447	48,447		48,447	12,641	61,088			30
31	Amortization of Pre-Op. & Org.							2,124	2,124			31
32	Interest			281,147	281,147		281,147	(227,239)	53,908			32
33	Real Estate Taxes			213,176	213,176		213,176	8,096	221,272			33
34	Rent-Facility & Grounds			2,397,145	2,397,145		2,397,145	751	2,397,896			34
35	Rent-Equipment & Vehicles			7,860	7,860		7,860	28,032	35,892			35
36	Other (specify):*											36
37	**TOTAL Ownership**			2,947,775	2,947,775		2,947,775	(175,595)	2,772,180			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		96,503	290,908	387,411		387,411	(120,176)	267,235			39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			173,010	173,010		173,010		173,010			42
43	Other (specify):*											43
44	**TOTAL Special Cost Centers**		96,503	463,918	560,421		560,421	(120,176)	440,245			44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	3,860,932	854,337	5,244,961	9,960,230		9,960,230	(923,766)	9,036,464			45

***Attach a schedule if more than one type of cost is included on this line, or if the total exceeds $1000.**

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

VI. ADJUSTMENT DETAIL

A. The expenses indicated below are non-allowable and should be adjusted out of Schedule V, pages 3 or 4 via column 7. In column 2 below, reference the line on which the particular cost was included. (See instructions.)

	NON-ALLOWABLE EXPENSES	1 Amount	2 Refer-ence	3 OHF USE ONLY	
1	Day Care	$		$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals				4
5	Telephone, TV & Radio in Resident Rooms				5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation				9
10	Interest and Other Investment Income	(22)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(1,464)	2		13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees				17
18	Fines and Penalties	(44,212)	32		18
19	Entertainment				19
20	Contributions	(7,947)	20		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers				22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(42,246)	27		24
25	Fund Raising, Advertising and Promotional	(2,093)	20		25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	Nurse Aide Training for Non-Employees				27
28	Yellow Page Advertising	(4,768)	20		28
29	Other-Attach Schedule				29
30	**SUBTOTAL (A): (Sum of lines 1-29)**	$ (102,752)		$	30

OHF USE ONLY								
48		49		50		51		52	

B. If there are expenses experienced by the facility which do not appear in the general ledger, they should be entered below.(See instructions.)

		1 Amount	2 Reference	
31	Non-Paid Workers-Attach Schedule*	$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)	(762,609)		34
35	Other- Attach Schedule	(58,405)		35
36	**SUBTOTAL (B): (sum of lines 31-35)**	$ (821,014)		36
37	**TOTAL ADJUSTMENTS (sum of SUBTOTALS (A) and (B))**	$ (923,766)		37

***These costs are only allowable if they are necessary to meet minimum licensing standards. Attach a schedule detailing the items included on these lines.**

C. Are the following expenses included in Sections A to D of pages 3 and 4? If so, they should be reclassified into Section E. Please reference the line on which they appear before reclassification. (See instructions.)

		1 Yes	2 No	3 Amount	4 Reference	
38	Medically Necessary Transport.			$		38
39						39
40	Gift and Coffee Shops					40
41	Barber and Beauty Shops					41
42	Laboratory and Radiology					42
43	Prescription Drugs					43
44	Exceptional Care Program					44
45	Other-Attach Schedule					45
46	Other-Attach Schedule					46
47	**TOTAL (C): (sum of lines 38-46)**			$		47

STATE OF ILLINOIS

Alden Terrace of McHenry Rehab

ID# 0040691

Report Period Beginning: 01/01/2001

Ending: 12/31/2001

	NON-ALLOWABLE EXPENSES	Amount	Sch. V Line Reference	
1	Back out part b contra-allow in costs	$ (9,605)	39	1
2	Illiniois Healthcare Associaton -pac fees backed out	(1,011)	20	2
3	insurance expense adjustment ($29 x 316 beds in fac)	(9,164)	26	3
4	Agree Deferred maintenance to schedule	13,869	6	4
5	back out deprec exp on items reclassed to pg 22	(702)	30	5
6	to agree deprec. exp. to total schedules	507	30	6
7	backout marketing fee in gl 5709	(8,519)	13	7
8	back out non-cost hmo therapy c/a gl 5040	(26,184)	39	8
9	back out non-cost hmo drugs c/a gl 5042	(12,778)	39	9
10	back out non-cost hmo isol. c/a gl 5093	(550)	39	10
11	back out hmo supplies in gl 5026	(4,268)	39	11
12				12
13				13
14				14
15				15
16				16
17				17
18				18
19				19
20				20
21				21
22				22
23				23
24				24
25				25
26				26
27				27
28				28
29				29
30				30
31				31
32				32
33				33
34				34
35				35
36				36
37				37
38				38
39				39
40				40
41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	**Total**	(58,405)		49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 **Report Period Beginning:** 01/01/2001 **Ending:** 12/31/2001

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Operating Expenses	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY TOTALS	
	A. General Services	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	(to Sch V, col.7)	
1	Dietary	0	0	0	0	0	0	0	0	0	0	0	0	1
2	Food Purchase	(1,464)	0	0	(10,452)	0	0	0	0	0	0	0	(11,916)	2
3	Housekeeping	0	0	0	0	0	0	0	0	0	0	0	0	3
4	Laundry	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Heat and Other Utilities	0	0	0	0	0	0	0	0	0	0	0	0	5
6	Maintenance	13,869	0	11,960	0	0	0	(11)	0	0	0	0	25,818	6
7	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	7
8	**TOTAL General Services**	12,405	0	11,960	(10,452)	0	0	(11)	0	0	0	0	13,902	8
	B. Health Care and Programs													
9	Medical Director	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Nursing and Medical Records	0	0	0	(5,168)	(703)	0	0	0	0	0	0	(5,871)	10
10a	Therapy	0	0	0	0	0	0	0	0	0	0	0	0	10a
11	Activities	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Social Services	0	0	0	0	0	0	0	0	0	0	0	0	12
13	Nurse Aide Training	(8,519)	0	0	0	0	0	0	0	0	0	0	(8,519)	13
14	Program Transportation	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	15
16	**TOTAL Health Care and Programs**	(8,519)	0	0	(5,168)	(703)	0	0	0	0	0	0	(14,390)	16
	C. General Administration													
17	Administrative	0	0	0	0	0	0	0	0	0	0	0	0	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	0	0	(695,756)	0	0	0	0	0	0	0	0	(695,756)	19
20	Fees, Subscriptions & Promotions	(15,819)	0	358	0	0	0	0	0	0	0	0	(15,461)	20
21	Clerical & General Office Expenses	0	0	34,621	10,334	3,913	0	0	0	0	0	0	48,868	21
22	Employee Benefits & Payroll Taxes	0	0	70,688	0	802	0	0	0	0	0	0	71,490	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	0	0	14,762	0	0	0	0	0	0	0	0	14,762	24
25	Other Admin. Staff Transportation	0	0	0	0	0	0	0	0	0	0	0	0	25
26	Insurance-Prop.Liab.Malpractice	(9,164)	0	0	0	0	0	0	0	0	0	0	(9,164)	26
27	Other (specify):*	(42,246)	0	0	0	0	0	0	0	0	0	0	(42,246)	27
28	**TOTAL General Administration**	(67,229)	0	(575,327)	10,334	4,715	0	0	0	0	0	0	(627,507)	28
29	**TOTAL Operating Expense (sum of lines 8,16 & 28)**	(63,343)	0	(563,367)	(5,286)	4,012	0	(11)	0	0	0	0	(627,995)	29

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 **Report Period Beginning:** 01/01/2001 **Ending:** 12/31/2001

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Capital Expense	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY TOTALS	
	D. Ownership	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	(to Sch V, col.7)	
30	Depreciation	(195)	0	11,855	0	981	0	0	0	0	0	0	12,641	30
31	Amortization of Pre-Op. & Org.	0	0	278	0	0	1,846	0	0	0	0	0	2,124	31
32	Interest	(44,234)	0	(187,823)	0	1,498	3,320	0	0	0	0	0	(227,239)	32
33	Real Estate Taxes	0	0	7,841	0	255	0	0	0	0	0	0	8,096	33
34	Rent-Facility & Grounds	0	0	751	0	0	0	0	0	0	0	0	751	34
35	Rent-Equipment & Vehicles	0	0	28,032	0	0	0	0	0	0	0	0	28,032	35
36	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	36
37	**TOTAL Ownership**	(44,429)	0	(139,066)	0	2,734	5,166	0	0	0	0	0	(175,595)	37
	Ancillary Expense													
	E. Special Cost Centers													
38	Medically Necessary Transportation	0	0	0	0	0	0	0	0	0	0	0	0	38
39	Ancillary Service Centers	(53,385)	0	0	(10,029)	(29,793)	(26,969)	0	0	0	0	0	(120,176)	39
40	Barber and Beauty Shops	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Coffee and Gift Shops	0	0	0	0	0	0	0	0	0	0	0	0	41
42	Provider Participation Fee	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	43
44	**TOTAL Special Cost Centers**	(53,385)	0	0	(10,029)	(29,793)	(26,969)	0	0	0	0	0	(120,176)	44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	(161,157)	0	(702,433)	(15,315)	(23,047)	(21,803)	(11)	0	0	0	0	(923,766)	45

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Attach an additional schedule if necessary.

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☐ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
1	V			$			$	$	1
2	V								2
3	V								3
4	V								4
5	V								5
6	V								6
7	V								7
8	V								8
9	V								9
10	V								10
11	V								11
12	V								12
13	V								13
14	Total			$			$	$ *	14

* Total must agree with the amount recorded on line 34 of Schedule VI.

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [x] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V	22	Employee Benefits	$	Alden Management Services, Inc.	100.00%	$ 70,688	$ 70,688	15
16	V	19	Management fees	708,764	Alden Management Services, Inc.		13,008	(695,756)	16
17	V	21	Gen'l & Admin.		Alden Management Services, Inc.		34,621	34,621	17
18	V	6	maintenance/utilities		Alden Management Services, Inc.		11,960	11,960	18
19	V	24	autos/seminars		Alden Management Services, Inc.		14,762	14,762	19
20	V	20	dues/subscriptions		Alden Management Services, Inc.		358	358	20
21	V	30	depreciation		Alden Management Services, Inc.		11,855	11,855	21
22	V	31	amortization		Alden Management Services, Inc.		278	278	22
23	V	33	real estate tax		Alden Management Services, Inc.		7,841	7,841	23
24	V	34	rent		Alden Management Services, Inc.		751	751	24
25	V	35	rent-equipt/vehicles		Alden Management Services, Inc.		28,032	28,032	25
26	V	32	interest	231,330	Alden Management Services, Inc.		43,507	(187,823)	26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			$ 940,094			$ 237,661	$ * (702,433)	39

*** Total must agree with the amount recorded on line 34 of Schedule VI.**

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

	1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V		2	TUBE FEEDINGS	$ 29,164	PYRAMID HEALTH CARE SERVICES	100.00%	$ 18,712	$ (10,452)	15
16	V		10	NURSING SUPPLIES	9,797	PYRAMID HEALTH CARE SERVICES		4,629	(5,168)	16
17	V		39	SUPPLIES / PER DIEM FEES	24,462	PYRAMID HEALTH CARE SERVICES		14,433	(10,029)	17
18	V		21	GENERAL & ADMIN.		PYRAMID HEALTH CARE SERVICES		10,334	10,334	18
19	V									19
20	V									20
21	V									21
22	V									22
23	V									23
24	V									24
25	V									25
26	V									26
27	V									27
28	V									28
29	V									29
30	V									30
31	V									31
32	V									32
33	V									33
34	V									34
35	V									35
36	V									36
37	V									37
38	V									38
39	Total				$ 63,423			$ 48,108	$ * (15,315)	39

*** Total must agree with the amount recorded on line 34 of Schedule VI.**

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☐ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

	1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V		39	drugs	$ 108,595	Forum Extended Care II	100.00%	$ 85,092	$ (23,503)	15
16	V		10	house stock	3,249	Forum Extended Care II		2,546	(703)	16
17	V		39	iv	29,061	Forum Extended Care II		22,771	(6,290)	17
18	V		22	fringe benefits		Forum Extended Care II		802	802	18
19	V		21	gen'l & admin		Forum Extended Care II		3,913	3,913	19
20	V		32	interest		Forum Extended Care II		1,498	1,498	20
21	V		33	real estate tax		Forum Extended Care II		255	255	21
22	V		30	real estate tax		Forum Extended Care II		981	981	22
23	V									23
24	V									24
25	V									25
26	V									26
27	V									27
28	V									28
29	V									29
30	V									30
31	V									31
32	V									32
33	V									33
34	V									34
35	V									35
36	V									36
37	V									37
38	V									38
39	Total				$ 140,905			$ 117,858	$ * (23,047)	39

*** Total must agree with the amount recorded on line 34 of Schedule VI.**

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V	39	CPT REVENUES	$ 209,725	COMMUNITY PHYSICAL THERAPY	100.00%	$ 182,756	$ (26,969)	15
16	V	31	AMORTIZATION		COMMUNITY PHYSICAL THERAPY		1,846	1,846	16
17	V	32	INTEREST		COMMUNITY PHYSICAL THERAPY		3,320	3,320	17
18	V								18
19	V								19
20	V								20
21	V								21
22	V								22
23	V								23
24	V								24
25	V								25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			$ 209,725			$ 187,922	$ * (21,803)	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

	1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V		6	maintenance expense	$ 1,823	Alden Bennett Construction	100.00%	$ 1,812	$ (11)	15
16	V									16
17	V									17
18	V									18
19	V									19
20	V									20
21	V									21
22	V									22
23	V									23
24	V									24
25	V									25
26	V									26
27	V									27
28	V									28
29	V									29
30	V									30
31	V									31
32	V									32
33	V									33
34	V									34
35	V									35
36	V									36
37	V									37
38	V									38
39	Total				$ 1,823			$ 1,812	$ * (11)	39

*** Total must agree with the amount recorded on line 34 of Schedule VI.**

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

VII. RELATED PARTIES (continued)

C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors.

NOTE: ALL owners (even those with less than 5% ownership) and their relatives who receive any type of compensation from this home must be listed on this schedule.

	1	2	3	4	5	6		7		8	
						Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		Compensation Included in Costs for this Reporting Period**			
	Name	Title	Function	Ownership Interest	Compensation Received From Other Nursing Homes*	Hours	Percent	Description	Amount	Schedule V. Line & Column Reference	
1	Floyd A Schlossberg	President/CFO		100.00	336,704	3.966	6.61	Salary	$ 23,847	17	1
2	Lauren Magnussen	Clinical Coordinator		A	75,374	2.9745	6.61	Salary	5,338	21	2
3	Terry Magnussen	Maintenance Supr		A	68,861	2.9763	6.61	Salary	4,877	21	3
4											4
5											5
6	a. Floyd Schlossberg is the President and sole stockholder of Alden Management Services, Inc.										6
7	b. Lauren Magnusson is the daughter of Floyd Schlossberg. Lauren is a nurse coordinator.										7
8	c. Terry Magnusson is the son-in-law of Floyd Schlossberg. Terry is in maintenance and construction.										8
9											9
10											10
11											11
12											12
13								TOTAL	$ 34,062		13

* If the owner(s) of this facility or any other related parties listed above have received compensation from other nursing homes, attach a schedule detailing the name(s) of the home(s) as well as the amount paid. THIS AMOUNT MUST AGREE TO THE AMOUNTS CLAIMED ON THE THE OTHER NURSING HOMES' COST REPORTS.

** This must include all forms of compensation paid by related entities and allocated to Schedule V of this report (i.e., management fees). FAILURE TO PROPERLY COMPLETE THIS SCHEDULE INDICATING ALL FORMS OF COMPENSATION RECEIVED FROM THIS HOME, ALL OTHER NURSING HOMES AND MANAGEMENT COMPANIES MAY RESULT IN THE DISALLOWANCE OF SUCH COMPENSATION

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 2/31/2001

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES [X] NO [ ]

B. Show the allocation of costs below. If necessary, please attach worksheets.

Name of Related Organization: Alden Management Services
Street Address: 4200 W. Peterson
City / State / Zip Code: Chicago, Illinois 60646-6052
Phone Number: (773-286-3883
Fax Number: (773-286-3743

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1		See page 8A attached				$	$		$	1
2										2
3										3
4										4
5										5
6										6
7										7
8										8
9										9
10										10
11										11
12										12
13										13
14										14
15										15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25	TOTALS					$	$		$	25

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

A. Interest: (Complete details must be provided for each loan - attach a separate schedule if necessary.)

	1	2		3	4	5	6	7	8	9	10	
	Name of Lender	Related** YES	Related** NO	Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note Original	Amount of Note Balance	Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense	
	A. Directly Facility Related Long-Term											
1							$	$			$	1
2												2
3												3
4												4
5												5
	Working Capital											
6	RELATED PARTY - CPT	X		OPERATIONS	NONE					VARIES	3,320	6
7	Related party - AMS/FECII	X		OPERATIONS	NONE					VARIES	45,005	7
8	US Treasury		X	Payroll taxes							5,605	8
9	TOTAL Facility Related						$	$			$ 53,930	9
	B. Non-Facility Related*											
10				Interest Income							(22)	10
11												11
12												12
13												13
14	TOTAL Non-Facility Related						$	$			$ (22)	14
15	TOTALS (line 9+line14)						$	$			$ 53,908	15

* Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7. (See instructions.)

** If there is ANY overlap in ownership between the facility and the lender, this must be indicated in column 2. (See instructions.)

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE (continued)

B. Real Estate Taxes

Important, please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.

1. Real Estate Tax accrual used on 2000 report.	$	199,074	1
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)	$	202,250	2
3. Under or (over) accrual (line 2 minus line 1).	$	3,176	3
4. Real Estate Tax accrual used for 2001 report. (Detail and explain your calculation of this accrual on the lines below.)	$	210,000	4
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. **(Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)**	$		5
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund. **TOTAL REFUND $ For 19 Tax Year. (Attach a copy of the real estate tax appeal board's decision.)**	$		6
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.	$	213,176	7

Real Estate Tax History:

Real Estate Tax Bill for Calendar Year:			
	1996	175,805	8
	1997	180,705	9
	1998	184,317	10
	1999	189,593	11
	2000	202,250	12

LINE 4: 2001 ACCRUALS BASED ON AN ESTIMATED 4% INCREASE OF ACTUAL BILL PAID IN 2001

$202,250 X 1.03 = 210,000

FOR OHF USE ONLY

13	FROM R. E. TAX STATEMENT FOR 2000	$	13
14	PLUS APPEAL COST FROM LINE 5	$	14
15	LESS REFUND FROM LINE 6	$	15
16	AMOUNT TO USE FOR RATE CALCULATION	$	16

NOTES:

1. **Please indicate a negative number by use of brackets( ). Deduct any overaccrual of taxes from prior year.**
2. **If facility is a non-profit which pays real estate taxes, you must attach a denial of an application for real estate tax exemption unless the building is rented from a for-profit entity.**
   This denial must be no more than four years old at the time the cost report is filed.

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates **RE:** 2000 REAL ESTATE TAX COST DOCUMENTATION

In order to set the real estate tax portion of the capital rate, it is necessary that we obtain additional information regarding your calendar 2000 real estate tax costs, as well as copies of your real estate tax bills for calendar 2000.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2000 real estate tax bill to the Department of Public Aid, Office of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2001 cost report. The cost report will not be considered complete and timely filed until this statement and the corresponding real estate tax bills are filed. If you have any questions, please call the Office of Health Finance at (217) 782-1630.

2000 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Alden Terrace of McHenry Rehab COUNTY McHenry

FACILITY IDPH LICENSE NUMBER 0040691

CONTACT PERSON REGARDING THIS REPORT Steven M. Kroll

TELEPHONE 773-286-3883 FAX #: 773-286-3743

A. **Summary of Real Estate Tax Cost**

Enter the tax index number and real estate tax assessed for 2000 on the lines provided below. Enter only the portion of the cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursing home property which is vacant, rented to other organizations, or used for purposes other than long term care must not be entered in Column D. Do not include cost for any period other than calendar year 2000.

	(A) Tax Index Number	(B) Property Description	(C) Total Tax	(D) Tax Applicable to Nursing Home
1.	09-34-177-009	Nursing home facility	$ 199,053.36	$ 199,053.36
2.	09-34-177-006	Nursing home facility	$ 2,977.88	$ 2,977.88
3.	09-34-177-010	Nursing home facility	$ 218.62	$ 218.62
4.		Related party - Alden Management	$ 118,551.00	$ 7,841.00
5.			$	$
6.			$	$
7.			$	$
8.			$	$
9.			$	$
10.			$	$
		TOTALS	$ 320,800.86	$ 210,090.86

B. **Real Estate Tax Cost Allocations**

Does any portion of the tax bill apply to more than one nursing home, vacant property, or property which is not directly used for nursing home services? YES X NO

If YES, attach an explanation & a schedule which shows the calculation of the cost allocated to the nursing home. (Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used.)

C. **Tax Bills**

Attach a copy of the 2000 tax bills which were listed in Section A to this statement. Be sure to use the 2000 tax bill which is normally paid during 2001.

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 90,000 B. General Construction Type: Exterior MASONRY Frame _____ Number of Stories 3

C. Does the Operating Entity? [ ] (a) Own the Facility [ ] (b) Rent from a Related Organization. [X] (c) Rent from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XI or Schedule XII-A. See instructions.)

D. Does the Operating Entity? [ ] (a) Own the Equipment [ ] (b) Rent equipment from a Related Organization. [X] (c) Rent equipment from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions.)

E. List all other business entities owned by this operating entity or related to the operating entity that are located on or adjacent to this nursing home's grounds (such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, nurse aide training facilities, etc.) List entity name, type of business, square footage, and number of beds/units available (where applicable).

N/A

F. Does this cost report reflect any organization or pre-operating costs which are being amortized? [ ] YES [X] NO
If so, please complete the following:

1. Total Amount Incurred: _____ 2. Number of Years Over Which it is Being Amortized: _____

3. Current Period Amortization: _____ 4. Dates Incurred: _____

Nature of Costs: _____
(Attach a complete schedule detailing the total amount of organization and pre-operating costs.)

XI. OWNERSHIP COSTS:

A. Land.

	1 Use	2 Square Feet	3 Year Acquired	4 Cost	
1	N/A			$	1
2					2
3	TOTALS			$	3

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Beds*	FOR OHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
4	Related party-Forum			1978	$ 18,359	$	22	$	$	$ 18,359	4
5											5
6											6
7											7
8											8
	Improvement Type**										
9	Related Party-Forum:										9
10	Leasehold Improvement-Remodeling			1980	19,335		20			19,335	10
11	Leasehold Improvement-Remodeling			1980	1,208		10			1,208	11
12	Leasehold Improvement-Remodeling			1986	645		5			645	12
13	Leasehold Improvement-Remodeling			1990	404		5			404	13
14	Leasehold Improvement-Remodeling			1991	94		5			94	14
15	Leasehold Improvement-Remodeling			1993	8,304	830	10	830		7,474	15
16	Leasehold Improvement-Remodeling			1993	6,504	671	9.7	671		6,035	16
17	Leasehold Improvement-sign			1994	261	22	12	22		174	17
18	Leasehold Improvement-dryvit			1995	443	44	10	44		310	18
19	Leasehold Improvement-new ac			1999	723	48	15	48		145	19
20	Leasehold Improvement-roof			1985	972	51	19	51		870	20
21	Leasehold Improvement-roof			1994	863	58	15	58		460	21
22	Leasehold Improvement-roof			1997	819	55	15	55		273	22
23	Leasehold Improvement-roof			1998	1,390	93	15	93		371	23
24	Leasehold Improvement-parking lot asphalt			2000	111	11	10	11		22	24
25	Leasehold Improvement-hallway lighting			2001	155	16	10	16		16	25
26	Leasehold Improvement-DAI			2001	195	19	10	19		19	26
27											27
28	Related Party-AMS:										28
29	Leasehold Improvement-Remodeling			1993	4,266		7			4,266	29
30	Leasehold Improvement-Remodeling			1994	2,112	64	7	64		2,112	30
31											31
32	Related Party-FECII:			1999	4,006	213	5	213		307	32
33											33
34											34
35											35
36											36

*Total beds on this schedule must agree with page 2.

**Improvement type must be detailed in order for the cost report to be considered complete.

See Page 12A, Line 70 for total

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
37	Climate Service (Ventilation)	1995	$ 1,828	$ 122	15	$ 122	$	$ 802	37
38	Climate Service (Ventilation)	1995	1,915	128	15	128		830	38
39	Climate Service Controls	1995	2,885	192	15	192		1,250	39
40	Climate Service-Controls	1995	1,251	83	15	83		542	40
41	Climate Service (A?C Motors,Transfomer)	1995	1,840	123	15	123		787	41
42	climate Services Controls	1995	1,200	80	15	80		507	42
43	JD & Sons-Roofing	1995	7,500	750	10	750		4,750	43
44	Grat Lakes Plumbing Discahrge Pump	1995	3,563	238	15	238		1,504	44
45	Midwest Wlectrical	1995	3,332	500	5	500		3,332	45
46	Climate Services, Inc.-Ventilation	1995	2,295	153	15	153		944	46
47	CSI-New Pump	1995	1,483	148	10	148		902	47
48	Eagle Flag & Banner	1995	680	57	12	57		354	48
49	Equipment International Repair Dishwasher	1996	1,793	269	5	269		1,793	49
50	JD & Sons-Roofing	1996	7,700	770	10	770		4,235	50
51	ABC Roof top Condensor	1996	8,668	867	10	867		4,659	51
52	Install Walk in refrigeratror	1997	2,177	435	5	435		2,177	52
53	Install Ceramic Tile	1997	1,535	307	5	307		1,509	53
54	Engine/generator repaired	1997	3,099	620	5	620		2,996	54
55	New Cylinder	1997	12,800	2,560	5	2,560		11,733	55
56	Instll new condenser	1997	8,166	1,633	5	1,633		7,349	56
57	Install new cylinder	1997	15,300	3,060	5	3,060		13,770	57
58	Install Floor tile	1997	4,102	820	5	820		3,487	58
59	HVAC Boiler	1997	5,888	1,178	5	1,178		4,809	59
60	Custom wall plates	1997	386	39	10	39		164	60
61	A&B Custom Cable Wall plates	1997	1,918	192	10	192		815	61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70	TOTAL (lines 4 thru 69)		$ 174,473	$ 17,519		$ 17,519	$	$ 138,899	70

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12A, Carried Forward		$ 174,473	$ 17,519		$ 17,519	$	$ 138,899	1
2	Wigdahl Electric (install new fixtures, relocate outlets)	1998	1,759	352	5	352		1,407	2
3	Wigdahl Electric (repair lighting, timeclock)	1998	1,853	371	5	371		1,482	3
4	Climate Service (repaired boiler)	1998	16,029	1,603	10	1,603		6,278	4
5	Atash (repair spinkler system)	1998	1,558	156	10	156		623	5
6	J.D. & Son (roof repair)	1998	10,000	1,000	10	1,000		3,500	6
7	CSI (dietary refrigerator)	1998	1,670	167	10	167		585	7
8	CSI (sump cover)	1998	4,900	490	10	490		1,633	8
9	Patten (generator repairs)	1998	3,856	193	20	193		659	9
10	CSI (insulate duct on air handler)	1998	2,750	183	15	183		611	10
11	CSI (repair air conditioner)	1998	1,698	170	10	170		566	11
12	CSI (replace gaskets on hot water coil)	1998	3,934	197	20	197		623	12
13	North Town Food Service (repair dish machine)	1999	1,861	186	10	186		558	13
14	Alden Bennet Construction (tank replacement)	1999	8,550	346	25	346		980	14
15	Patten (Fuel Tank Repairs, need invoice)	1999	1,724	172	10	172		460	15
16	Chicago Cooling Corp. (repair of unit 5, and inspection)6/99	1999	2,367	237	10	237		611	16
17	Climate Service,Inc. (replace 15 ton condenser)	1999	9,374	625	15	625		1,562	17
18	Climate Service, Inc.(replace 10 ton condenser)	1999	7,100	473	15	473		1,183	18
19	Climate Service, Inc. (compressor)	1999	7,466	498	15	498		1,203	19
20	Climate Service, Inc.(vac pump)	1999	1,644	110	15	110		256	20
21	Climate Service, Inc.(compressor maintenance)	1999	1,728	115	15	115		259	21
22	Capps Plumbing & Sewer(install trap & rodded pipes)	1999	1,835	184	10	184		413	22
23	Climate Service, Inc.(tank repair and maintenance)	1999	2,380	95	25	95		198	23
24	Shine Rite Maintenance(refinish tile floors)	1999	4,805	481	10	481		1,001	24
25	Alden Bennet Construction (tile/roofing)	2000	8,214	821	10	821		1,506	25
26	Alden Bennet Construction (tile/roofing)	2000	11,459	1,146	10	1,146		1,528	26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		$ 294,987	$ 27,890		$ 27,890	$	$ 168,584	34

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12B, Carried Forward		$ 294,987	$ 27,890		$ 27,890	$	$ 168,584	1
2	Fox Valley Fire & Safety (replace smoke detectors)	2000	3,731	373	10	373		653	2
3	CSI Coker Service (repair dishwasher)	2000	3,299	330	10	330		577	3
4	Welding Supply Inc (repair alarm system)	2000	2,750	275	10	275		458	4
5	Welding Supply Inc (repair alarm system)	2000	6,649	665	10	665		1,108	5
6	System Electric Inc (new controls for oxygen system)	2000	1,785	223	8	223		372	6
7	GT Mechanical (repair laundry compressor)	2000	2,700	270	10	270		405	7
8	CSI Coker Service (repair dishwasher)	2000	1,536	154	10	154		230	8
9	Equipment International (repair laundry equipment)	2000	1,670	167	10	167		237	9
10	GT Mechanical (repair pneumatic system compressor)	2000	2,431	243	10	243		344	10
11	Advanced Parts & Service (repair food processor)	2000	2,026	203	10	203		287	11
12	CSI Coker Service (repair boiler)	2000	5,985	599	10	599		698	12
13	Rockford Steam(hvac work)	2001	6,562	437	10	437		437	13
14	GT Mechanical(replace compressor)	2001	4,947	165	15	165		165	14
15	Alden Bennett Const. (lock install./repair)	2001	2,017	134	10	134		134	15
16	CSI Coker (bldng. Improvement)	2001	1,708	66	15	66		66	16
17	Alden Bennett Const. (invoice to follow)	2001	20,742	1,728	10	1,728		1,728	17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		$ 365,525	$ 33,922		$ 33,922	$	$ 176,483	34

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

XI. OWNERSHIP COSTS (continued)

C. Equipment Depreciation-Excluding Transportation. (See instructions.)

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	$ 187,063	$ 21,601	$ 21,601	$	3-15 yrs	$ 79,117	71
72	Current Year Purchases	10,124	489	489		5-10 yrs	489	72
73	Fully Depreciated Assets	38,233	1,279	1,279		3-5 yrs	38,233	73
74								74
75	TOTALS	$ 235,420	$ 23,369	$ 23,369	$		$ 117,839	75

D. Vehicle Depreciation (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76	various	bus/van	1998-2000	$ 11,938	$ 3,797	$ 3,797	$	3	$ 6,200	76
77										77
78										78
79										79
80	TOTALS			$ 11,938	$ 3,797	$ 3,797	$		$ 6,200	80

E. Summary of Care-Related Assets

		1 Reference	2 Amount	
81	Total Historical Cost	(line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	$ 612,883	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	$ 61,088	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	$ 61,088	83 **
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	$	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	$ 300,522	85

F. Depreciable Non-Care Assets Included in General Ledger. (See instructions.)

	1 Description & Year Acquired	2 Cost	Current Book Depreciation 3	Accumulated Depreciation 4	
86		$	$	$	86
87					87
88					88
89					89
90					90
91	TOTALS	$	$	$	91

G. Construction-in-Progress

	Description	Cost	
92		$	92
93			93
94			94
95		$	95

* Vehicles used to transport residents to & from day training must be recorded in XI-F, not XI-D.

** This must agree with Schedule V line 30, column 8.

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: TL Enterprises

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?
If NO, see instructions. [X] YES [ ] NO

		1 Year Constructed	2 Number of Beds	3 Date of Lease	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:				$			3
4	Additions							4
5								5
6								6
7	TOTAL				$ **			7

8. List separately any amortization of lease expense included on page 4, line 34.
This amount was calculated by dividing the total amount to be amortized
by the length of the lease .

9. Option to Buy: [X] YES [ ] NO Terms: $80,000 per bed in 2010 *

10. Effective dates of current rental agreement:
Beginning
Ending

11. Rent to be paid in future years under the current rental agreement:

	Fiscal Year Ending	Annual Rent
12.	/2002	$ 2,380,810
13.	/2003	$ 2,421,179
14.	/2004	$ 2,495,190

B. Equipment-Excluding Transportation and Fixed Equipment. (See instructions.)

15. Is Movable equipment rental included in building rental? [X] YES [ ] NO

16. Rental Amount for movable equipment: $ 7,860 Description: Copy machine Lease
(Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17			$	$	17
18					18
19					19
20					20
21	TOTAL		$	$	21

* If there is an option to buy the building, please provide complete details on attached schedule.

** This amount plus any amortization of lease expense must agree with page 4, line 34.

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

XIII. EXPENSES RELATING TO NURSE AIDE TRAINING PROGRAMS (See instructions.)

A. TYPE OF TRAINING PROGRAM (If aides are trained in another facility program, attach a schedule listing the facility name, address and cost per aide trained in that facility.)

1. HAVE YOU TRAINED AIDES DURING THIS REPORT PERIOD?
   - [ ] YES
   - [X] NO

   If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.

2. CLASSROOM PORTION:
   - IN-HOUSE PROGRAM [ ]
   - IN OTHER FACILITY [ ]
   - COMMUNITY COLLEGE [ ]
   - HOURS PER AIDE ____

3. CLINICAL PORTION:
   - IN-HOUSE PROGRAM [ ]
   - IN OTHER FACILITY [ ]
   - HOURS PER AIDE ____

B. EXPENSES

ALLOCATION OF COSTS (d)

		1	2	3	4
		Facility			
		Drop-outs	Completed	Contract	Total
1	Community College Tuition	$	$	$	$
2	Books and Supplies				
3	Classroom Wages (a)				
4	Clinical Wages (b)				
5	In-House Trainer Wages (c)				
6	Transportation				
7	Contractual Payments				
8	Nurse Aide Competency Tests				
9	TOTALS	$	$	$	$
10	SUM OF line 9, col. 1 and 2 (e)	$			

C. CONTRACTUAL INCOME

In the box below record the amount of income your facility received training aides from other facilities.

$

D. NUMBER OF AIDES TRAINED

COMPLETED	
1. From this facility	
2. From other facilities (f)	
DROP-OUTS	
1. From this facility	
2. From other facilities (f)	
TOTAL TRAINED	

(a) Include wages paid during the classroom portion of training. Do not include fringe benefits.
(b) Include wages paid during the clinical portion of training. Do not include fringe benefits.
(c) For in-house training programs only. Do not include fringe benefits.
(d) Allocate based on if the aide is from your facility or is being contracted to be trained in your facility. Drop-out costs can only be for costs incurred by your own aides.
(e) The total amount of Drop-out and Completed Costs for your own aides must agree with Sch. V, line 13, col. 8.
(f) Attach a schedule of the facility names and addresses of those facilities for which you trained aides.

XIV. SPECIAL SERVICES (Direct Cost) (See instructions.)

		1	2	3	4	5	6	7	8	
	Service	Schedule V Line & Column Reference	Staff Units of Service	Staff Cost	Outside Practitioner (other than consultant) Units	Outside Practitioner (other than consultant) Cost	Supplies (Actual or) Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
1	Licensed Occupational Therapist	39-3	hrs	$ 62,664		$ 0	$		$ 62,664	1
2	Licensed Speech and Language Development Therapist	39-3	hrs	30,989		0			30,989	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	39-3	hrs	115,984		0			115,984	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	See Page 16A	# of prescrpts			0	37,270		37,270	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Exceptional Care Program									12
13	Other (specify):	See Page 16A				0	20,328		20,328	13
14	TOTAL			$ 209,637		$	$ 57,598		$ 267,235	14

NOTE: This schedule should include fees (other than consultant fees) paid to licensed practitioners. Consultant fees should be detailed on Schedule XVIII-B. Salaries of unlicensed practitioners, such as nurse aides, who help with the above activities should not be listed on this schedule.

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

XV. BALANCE SHEET - Unrestricted Operating Fund. As of 12/31/2001 (last day of reporting year)

This report must be completed even if financial statements are attached.

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	$ 112,547	$	1
2	Cash-Patient Deposits	95,853		2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance 265,000)	1,116,865		3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	163,210		6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)	287,990		8
9	Other(specify): RE Tax Escrow	114,303		9
10	**TOTAL Current Assets (sum of lines 1 thru 9)**	$ 1,890,768	$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land			13
14	Buildings, at Historical Cost			14
15	Leasehold Improvements, at Historical Cost	402,143		15
16	Equipment, at Historical Cost	165,998		16
17	Accumulated Depreciation (book methods)	(262,255)		17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (spe Purchase option	948,000		22
23	Other(specify): Deferred taxes	576,450		23
24	**TOTAL Long-Term Assets (sum of lines 11 thru 23)**	$ 1,830,337	$	24
25	**TOTAL ASSETS (sum of lines 10 and 24)**	$ 3,721,105	$	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	$ 1,912,193	$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	375,481		28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	250,113		30
31	Accrued Taxes Payable (excluding real estate taxes)	47,931		31
32	Accrued Real Estate Taxes(Sch.IX-B)	210,000		32
33	Accrued Interest Payable			33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	Miscellaneous withholding	6,210		36
37	IDPA Assessments	183,424		37
38	**TOTAL Current Liabilities (sum of lines 26 thru 37)**	$ 2,985,351	$	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable			39
40	Mortgage Payable			40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43	Deferred rent	1,102,773		43
44	Due to affiliates	1,536,991		44
45	**TOTAL Long-Term Liabilities (sum of lines 39 thru 44)**	$ 2,639,764	$	45
46	**TOTAL LIABILITIES (sum of lines 38 and 45)**	$ 5,625,116	$	46
47	**TOTAL EQUITY(page 18, line 24)**	$ (1,904,010)	$	47
48	**TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)**	$ 3,721,105	$	48

***(See instructions.)**

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	**Balance at Beginning of Year, as Previously Reported**	$ (846,359)	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	**Balance at Beginning of Year, as Restated (sum of lines 1-5)**	$ (846,359)	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	(1,057,651)	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants		11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	( )	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe)		15
16	Other (describe)		16
17	**TOTAL Additions (deductions) (sum of lines 7-16)**	$ (1,057,651)	17
	B. Transfers (Itemize):		
18			18
19			19
20			20
21			21
22			22
23	**TOTAL Transfers (sum of lines 18-22)**	$	23
24	**BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)**	$ (1,904,010)	24 *

*** This must agree with page 17, line 47.**

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

XVII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required classifications of revenue and expense must be provided on this form, even if financial statements are attached.

Note: This schedule should show gross revenue and expenses. Do not net revenue against expense.

	Revenue	1 Amount	
	A. Inpatient Care		
1	Gross Revenue -- All Levels of Care	$ 8,227,436	1
2	Discounts and Allowances for all Levels	( )	2
3	**SUBTOTAL Inpatient Care (line 1 minus line 2)**	$ 8,227,436	3
	B. Ancillary Revenue		
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	1,104	6
7	Oxygen	37,570	7
8	**SUBTOTAL Ancillary Revenue (lines 4 thru 7)**	$ 38,674	8
	C. Other Operating Revenue		
9	Payments for Education		9
10	Other Government Grants		10
11	Nurses Aide Training Reimbursements		11
12	Gift and Coffee Shop		12
13	Barber and Beauty Care	1,873	13
14	Non-Patient Meals		14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	431	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory		19
20	Radiology and X-Ray		20
21	Other Medical Services	132,822	21
22	Laundry		22
23	**SUBTOTAL Other Operating Revenue (lines 9 thru 22)**	$ 135,126	23
	D. Non-Operating Revenue		
24	Contributions		24
25	Interest and Other Investment Income***	22	25
26	**SUBTOTAL Non-Operating Revenue (lines 24 and 25)**	$ 22	26
	E. Other Revenue (specify):**		
27	Settlement Income (Insurance, Legal, Etc.)	(9,289)	27
28			28
28a			28a
29	**SUBTOTAL Other Revenue (lines 27, 28 and 28a)**	$ (9,289)	29
30	**TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)**	$ 8,391,969	30

	Expenses	2 Amount	
	A. Operating Expenses		
31	General Services	1,475,557	31
32	Health Care	2,844,767	32
33	General Administration	2,131,710	33
	B. Capital Expense		
34	Ownership	2,947,775	34
	C. Ancillary Expense		
35	Special Cost Centers	387,411	35
36	Provider Participation Fee	173,010	36
	D. Other Expenses (specify):		
37	ADD: Related party salaries-AMS	(502,731)	37
38	ADD: Related party salaries-Forum	(3,860)	38
39	ADD: Related party salaries-Pyramid	(4,019)	39
40	**TOTAL EXPENSES (sum of lines 31 thru 39)***	$ 9,449,620	40
41	**Income before Income Taxes (line 30 minus line 40)****	(1,057,651)	41
42	**Income Taxes**		42
43	**NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)**	$ (1,057,651)	43

* **This must agree with page 4, line 45, column 4.**

** **Does this agree with taxable income (loss) per Federal Income Tax Return?** Not Avavilabl **If not, please attach a reconciliation.**

*** **See the instructions. If this total amount has not been offset against interest expense on Schedule V, line 32, please include a detailed explanation.**

****Provide a detailed breakdown of "Other Revenue" on an attached sheet.**

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

XVIII. A. STAFFING AND SALARY COSTS (Please report each line separately.)
(This schedule must cover the entire reporting period.)

		1 # of Hrs. Actually Worked	2** # of Hrs. Paid and Accrued	3 Reporting Period Total Salaries, Wages	4 Average Hourly Wage	
1	Director of Nursing	1,006	1,314	$ 31,875	$ 24.26	1
2	Assistant Director of Nursing	1,861	2,108	47,943	22.74	2
3	Registered Nurses	34,532	38,971	861,704	22.11	3
4	Licensed Practical Nurses	15,376	16,832	328,791	19.53	4
5	Nurse Aides & Orderlies	80,518	82,884	1,241,177	14.97	5
6	Nurse Aide Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director	1,184	1,232	16,627	13.50	9
10	Activity Assistants	9,847	10,717	94,752	8.84	10
11	Social Service Workers	2,195	2,298	31,855	13.86	11
12	Dietician					12
13	Food Service Supervisor	1,308	1,444	8,070	5.59	13
14	Head Cook	152	152	1,620	10.66	14
15	Cook Helpers/Assistants	26,950	27,876	240,725	8.64	15
16	Dishwashers					16
17	Maintenance Workers	1,864	2,080	34,371	16.52	17
18	Housekeepers	26,499	27,537	167,829	6.09	18
19	Laundry	8,292	8,824	63,507	7.20	19
20	Administrator					20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	7,241	7,526	87,526	11.63	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator	1,715	1,883	27,398	14.55	29
30	Habilitation Aides (DD Homes)					30
31	Medical Records					31
32	Other Health C: Clinical Support	1,674	1,722	33,665	19.55	32
33	Other(specify) Personnel	1,944	2,080	30,888	14.85	33
34	TOTAL (lines 1 - 33)	224,158	237,480	$ 3,350,323 *	$ 14.11	34

* This total must agree with page 4, column 1, line 45. ** See instructions.

B. CONSULTANT SERVICES

		1 Number of Hrs. Paid & Accrued	2 Total Consultant Cost for Reporting Period	3 Schedule V Line & Column Reference	
35	Dietary Consultant		$		35
36	Medical Director	monthly fee	14,400	9	36
37	Medical Records Consultant				37
38	Nurse Consultant				38
39	Pharmacist Consultant	monthly fee	7,584	10	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	43	2,227	11-3	44
45	Social Service Consultant				45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)	43	$ 24,211		49

C. CONTRACT NURSES

		1 Number of Hrs. Paid & Accrued	2 Total Contract Wages	3 Schedule V Line & Column Reference	
50	Registered Nurses		$ N/A		50
51	Licensed Practical Nurses		N/A		51
52	Nurse Aides		N/A		52
53	TOTAL (lines 50 - 52)		$		53

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

XIX. SUPPORT SCHEDULES

A. Administrative Salaries

Name	Function	Ownership %	Amount
			$
Allocated from AMS			106,081
Darlene Hansen	administrator	0	59,618
TOTAL (agree to Schedule V, line 17, col. 1)			
(List each licensed administrator separately.)			$ 165,699

B. Administrative - Other

Description	Amount
	$
TOTAL (agree to Schedule V, line 17, col. 3)	$
(Attach a copy of any management service agreement)	

C. Professional Services

Vendor/Payee	Type	Amount
Alden Management Services	MNGT. FEES	$ 708,764
Blackman Kallick	ACCT. Fees	16,500
Ken Fisch	Legal Fees	31,226
Donald C. Stines	Legal Fees	257
Barry Greenburg	Legal Fees	13,190
Janet Herman	Legal Fees	1,269
Various Misc. Prof. Fees	Prof. Fees	414
Medi Com	Software consultant	417
U.S. Gas	Utility consultant	2,844
Healthcare business credit	Audit fee	4,000
TOTAL (agree to Schedule V, line 19, column 3)		
(If total legal fees exceed $2500 attach copy of invoices.)		$ 778,880

D. Employee Benefits and Payroll Taxes

Description	Amount
Workers' Compensation Insurance	$ 62,768
Unemployment Compensation Insurance	8,917
FICA Taxes	273,088
Employee Health Insurance	59,046
Employee Meals	45,226
Illinois Municipal Retirement Fund (IMRF)*	
Dental / Life insurance	2,024
Employee relations / Payroll misc. cost	2,126
401 K match	1,612
related party-ams	71,490
TOTAL (agree to Schedule V, line 22, col.8)	$ 526,296

E. Schedule of Non-Cash Compensation Paid to Owners or Employees

Description	Line #	Amount
		$
TOTAL		$

F. Dues, Fees, Subscriptions and Promotions

Description	Amount
IDPH License Fee	$
Advertising: Employee Recruitment	59
Health Care Worker Background Check	546
(Indicate # of checks performed 78)	
City of McHenry	200
Misc. Dues / Subscriptions	1,107
Illinois healthcare association	8,590
Fox Valley inspections	1,450
related party-ams	358
Less: Public Relations Expense	( )
Non-allowable advertising	( )
Yellow page advertising	( )
TOTAL (agree to Sch. V, line 20, col. 8)	$ 12,310

G. Schedule of Travel and Seminar**

Description	Amount
Out-of-State Travel	$
In-State Travel	47
Seminar Expense	75
related party-ams	14,762
Entertainment Expense	( )
TOTAL (agree to Sch. V, line 24, col. 8)	$ 14,884

* Attach copy of IMRF notifications

**See instructions.

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
(See instructions.)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	Amount of Expense Amortized Per Year								
					FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
1	painting and Decorating	11/95	$ 9,250	3	$ 2,569	$ 0	$	$	$	$	$	$	$
2	painting and Decorating	10/95	4,610	3	1,152	0							
3	Touchup painting	2/96	1,430	3	477	40							
4	Ice Machine; A/C Rep	5/96	3,451	10	345	345	345	345	345	345	345	345	115
5	Boiler repair	5/96	2,437	10	244	244	244	244	244	244	244	244	81
6	painting and Decorating	5/96	1,610	3	537	179							
7	painting and Decorating	9/96	1,078	3	359	239							
8	painting and Decorating	1/96	1,430	3	477	0							
9	HVAC Revision	2/96	1,590	10	159	159	159	159	159	159	159	159	13
10	Painting	3/96	1,610	3	537	89							
11	Painting	8/96	1,610	3	537	313							
12	Painting	4/96	1,610	3	537	134							
13	Painting	7/96	1,610	3	537	268							
14	Painting	12/96	1,104	3	368	337							
15	Painting	9/96	1,610	3	537	358							
16	Painting	11/96	1,380	3	460	383							
17	Install motor	4/96	3,406	10	341	341	341	341	341	341	341	341	85
18	Dishwasher motor	5/96	1,789	10	179	179	179	179	179	179	179	179	75
19	Replace inducer motor	1/97	3,051	3	1,017	1,017	1,017						
20	TOTALS		$ 45,666		$ 11,369	$ 4,625	$ 2,285	$ 1,268	$ 1,268	$ 1,268	$ 1,268	$ 1,268	$ 369

Facility Name & ID Number Alden Terrace of McHenry Rehab **#** 0040691 **Report Period Beginning:** 01/01/2001 **Ending:** 12/31/2001

XX. GENERAL INFORMATION:

(1) Are nursing employees (RN,LPN,NA) represented by a union? **No**

(2) Are there any dues to nursing home associations included on the cost report? **Yes**
If YES, give association name and amount. **IHCA-$8,590**

(3) Did the nursing home make political contributions or payments to a political action organization? **Yes** If YES, have these costs been properly adjusted out of the cost report? **Yes**

(4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? **No** If YES, what is the capacity?

(5) Have you properly capitalized all major repairs and equipment purchases? **Yes**
What was the average life used for new equipment added during this period?

(6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. $ **31,793** Line **10**

(7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? **No** If NO, attach a complete explanation.

(8) Are you presently operating under a sale and leaseback arrangement? **No**
If YES, give effective date of lease.

(9) Are you presently operating under a sublease agreement? YES **X** NO

(10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES NO **X** If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over.

(11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department of Public Aid during this cost report period. $ **173,010**
This amount is to be recorded on line 42 of Schedule V.

(12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? **No** If YES, attach an explanation of the allocation.

(13) Have costs for all supplies and services which are of the type that can be billed to the Department of Public Aid, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? **Yes**

(14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? **No** For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.

(15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. $ Has any meal income been offset against related costs? Indicate the amount. $

(16) Travel and Transportation
a. Are there costs included for out-of-state travel? **No**
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? **No** If YES, please indicate the amount of income earned from such a program during this reporting period. $
c. What percent of all travel expense relates to transportation of nurses and patients? **0**
d. Have vehicle usage logs been maintained? **N/A**
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? **No**
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? **No**
g. Does the facility transport residents to and from day training? Indicate the amount of income earned from providing such transportation during this reporting period. $ **No**

(17) Has an audit been performed by an independent certified public accounting firm?
Firm Name: **BDO Seidman, LLP** The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? **No** If no, please explain. **Not available**

(18) Have all costs which do not relate to the provision of long term care been adjusted out out of Schedule V? **Yes**

(19) If total legal fees are in excess of $2500, have legal invoices and a summary of services performed been attached to this cost report? **Yes**
Attach invoices and a summary of services for all architect and appraisal fees.

Facility Name & ID Number: Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
(See instructions.)

	1	2	3	4	5	6	7	8	9	10	11	12	13
		Month & Year			Amount of Expense Amortized Per Year								
	Improvement Type	Improvement Was Made	Total Cost	Useful Life	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
1	Belts ande defrost timer	5/97	$ 1,608	3	$ 536	$ 536	$ 179	$	$	$	$	$	$
2	Hot Water mixing Valve	6/97	2,886	3	962	962	401						
3	Repair A/C	7/97	1,593	3	531	531	265						
4	Boiler repair	10/97	1,505	3	502	502	36						
5	Painting	10/97	15,609	3	5,203	5,203	3,902						
6	Sink/valve replacement	2/98	1,961	3	599	654	654	54					
7	A/C air handlers	4/98	1,733	3	433	578	578	144					
8	Painting	3/98	7,492	3	2,081	2,497	2,497	416					
9	Painting	6/98	4,628	3	900	1,543	1,543	643					
10	Painting	9/98	2,651	3	295	884	884	589					
11	Painting	12/98	9,008	3	250	3,003	3,003	2,752					
12	Tank Repair	4/99	1,925	3		481	642	642	160				
13	Painting	7/99	8,432	3		1,405	2,811	2,811	1,405				
14	Painting	7/00	8,926	3			1,488	2,975	2,975	1,487			
15	Repair HVAC	1/00	1,626	3			542	542	542	0			
16	Paving/Wallcover	9/00	8,309	3			923	2,770	2,770	1,847			
17	Painting/Wallcover	9/00	7,654	3			850	2,551	2,551	1,701			
18	Bolt Flange/Check valve	1/01	1,865	3				622	622	622			
19	Fire Alarm Maint	3/01	2,151	1				1,793	359				
20	TOTALS		$ 91,562		$ 12,292	$ 18,779	$ 21,198	$ 19,303	$ 11,383	$ 5,657	$	$	$

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2001 Ending: 12/31/2001

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
(See instructions.)

	1	2	3	4	5	6	7	8	9	10	11	12	13
		Month & Year			Amount of Expense Amortized Per Year								
	Improvement Type	Improvement Was Made	Total Cost	Useful Life	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
1	Replace phase monitor	02/01	$ 1,898	3	$	$	$	$ 527	$ 633	$ 633	$ 106	$	$
2	Replace shaft	06/01	2,239	5				261	448	448	448	448	187
3	Replace pressure switch	0701	2,516	5				252	503	503	503	503	251
4	Coker	03/01	1,523	5				228	305	305	305	305	77
5	Totals from page 22		45,666		11,369	4,625	2,285	1,268	1,268	1,268	1,268	1,268	369
6	Totals from page 22A		91,562		12,292	18,779	21,198	19,303	11,383	5,657			
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20	TOTALS		$ 145,404		$ 23,661	$ 23,404	$ 23,483	$ 21,840	$ 14,539	$ 8,814	$ 2,630	$ 2,524	$ 884